



STATE OF ALABAMA

ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

MEMORANDUM

DATE: September 26, 2017

TO: Commissioner Twinkle Andress Cavanaugh
Commissioner Jeremy H. Oden
Commissioner Chris "Chip" Beeker, Jr.

FROM: Darrell A. Baker, Director *DAB*
Utility Services Division

SUBJECT: Agenda for October 3, 2017 Commission Meeting.

The following items will be presented to the Commission during the regular October 3, 2017 Commission Meeting.

Consumer Services Report

CONSUMER SERVICES ELECTRIC & GAS INQUIRIES

September

Company	Service Category	Total Inquiries	Service Outage Interruption	Service Quality	Service Connection	Service Disconnected	Billing Issues	Payment Issues	Request Info Only
Alabama Power	Residential	35		2		2	6	18	7
	Business								
Alagasco	Residential	3			1		1	1	
	Business	1				1			
Mobile Gas	Residential	2							2
	Business								
TOTAL	Residential	40		2	1	2	7	19	9
	Business	1				1			

BASIC SERVICE ONLY

Company	Service Category	Total Inquiries	Service Outage	Service Quality	Service Connection	Service Disconnection	Billing Issues	Payment Issues	Lifeline Issue/Info	Request Info Only
ILEC	Residential									
	Business									
CLEC	Residential	3	1	1			1			
	Business	1			1					
TOLL	Residential									
	Business									
OTHER	Residential	1								1
	Business									
Total Under PSC Complaint Jurisdiction		5	1	1	1		1			1

OTHER RETAIL SERVICES/ISSUES

Service Category	Total Inquiries	Toll Service	Internet Service	Slamming Cramming	Wireless Issues	Number Porting Issues	Video CATV	Inmate Calling Service	Request Info Only
Residential	13		9	1			3		
Business									
Total	13		9	1			3		
Not Under PSC Jurisdiction	12		9				3		
Under PSC Jurisdiction	1			1					

Other Retail Services/Issues Under PSC Jurisdiction (Above)	1
Basic Service Inquiries Under PSC Jurisdiction (Previous Page)	5
Total Telecom Inquiries Under PSC Jurisdiction (Non-referrals)	6

Referred Inquiries (Waived Complaint Jurisdiction)	
Residential	20
Business	2
TOTAL	22

TOTAL TELECOM INQUIRIES			
Under PSC Complaint Jurisdiction	Waived Complaint Jurisdiction (Referrals)	Received But Not Under PSC Jurisdiction	Total Received
6	22	12	40

Gas Agenda

NATURAL GAS

Docket 18046 and SPIRE ALABAMA INC. -- Division Report on Rate RSE as of August 31,
18328 2017

Based on preliminary figures as of August 31, 2017, the projected RSE return on average common equity for the rate year ending September 30, 2017, was 11.04 percent. The authorized return on average common equity is 10.50 to 10.95 percent.

Docket 28101 SPIRE GULF INC. -- Division Report on Rate RSE as of August 31, 2017

Based on preliminary figures as of August 31, 2017, the projected RSE return on average common equity for the rate year ending September 30, 2017, was 11.44 percent. The authorized return on average common equity is 10.45 to 10.95 percent.

Docket U-5246 SPIRE ALABAMA INC. -- Application for authority to issue and sell \$75,000,000 principal amount of debt and to purchase interest rate derivative instruments for the purpose of locking in favorable interest rates and to include the associated interest charges, issuance costs, fees and any gain or loss resulting from the settlement of such interest rate derivative instruments in Applicant's rates.

Recommend Approval.

Docket U-5247 SPIRE GULF INC. -- Application for approval to defer recognition of certain Pension and Postretirement Health Plan Costs.

Recommend Approval.

Telecommunication Agenda

INTERCONNECTION AGREEMENT (S)

- Docket U-4926 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST and TELE CIRCUIT NETWORK CORPORATION -- Approval of an Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Tele Circuit Network Corporation pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.
- Docket U-5240 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST and MEDIA LINK TELECOM, LLC -- Approval of an Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Media Link Telecom, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.
- Docket U-5242 CHARTER FIBERLINK-ALABAMA, LLC and MOUNDVILLE TELEPHONE COMPANY -- Approval of an Interconnection Agreement between Moundville Telephone Company, Inc. and Charter Fiberlink-Alabama, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.
- Docket U-5243 CHARTER FIBERLINK-ALABAMA, LLC and NEW HOPE TELEPHONE COOPERATIVE -- Approval of an Interconnection Agreement between New Hope Telephone Cooperative, Inc. and Charter Fiberlink-Alabama, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.

AMENDED INTERCONNECTION AGREEMENT (S)

- Docket U-4585 ACN COMMUNICATIONS SERVICES, LLC and BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST -- Approval of an Amendment to the Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and ACN Communications Services, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.
- Docket U-4701 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST and COMCAST PHONE II, INC. COMCAST PHONE, LLC -- Approval of an Amendment to the Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Comcast Phone of Alabama, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.

Recommend Approval.
- Docket U-4705 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST and METROPOLITAN TELECOMMUNICATIONS OF ALABAMA, INC. -- Approval of an Amendment to the Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Metropolitan Telecommunications of Alabama, Inc. pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.

Recommend Approval.
- Docket U-4891 BANDWIDTH.COM CLEC, LLC and BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST -- Approval of an Amendment to the Interconnection Agreement between BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Bandwidth.com CLEC, LLC pursuant to *Sections 251 and 252 of the Telecommunications Act of 1996*.
Recommend Approval.

PETITION (S)

Docket U-5241 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST -- Rules of the North America Numbering Plan Administrator ("NANPA") grant the Commission discretion to override NANPA's denial of requested numbering resources in Alabama. BellSouth Telecommunications, LLC d/b/a AT&T Alabama seeks Commission concurrence with its numbering resources request and asks the Commission to override NANPA's denial of the numbering resources sought by the Petitioner.

Recommend Approval.

MISCELLANEOUS

Docket U-5248 BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST -- Discontinues wholesale Voice Grade Service (DS0) for the Carbon Hill, Alabama wire center. Carbon Hill was selected as part of a trial of rural and urban wire centers that were converted from a Time Division Multiplexing network to an Internet Protocol (IP) network. Due to various technical issues that have yet to be resolved, the trial was abandoned. Nevertheless, the network in Carbon Hill consists of an entirely IP-based and fixed wireless platform making wholesale DS0 circuits unavailable. No BellSouth retail customers are directly affected by discontinuing the service.

Recommend Approval.

Docket U-5249 CENTURYTEL OF ALABAMA, LLC d/b/a CENTURYLINK -- Removes Directory Services from the Wholesale Tariff. In accordance with *Sections 251 and 252 of the Federal Telecommunications Act of 1996*, the terms, conditions and rates for Directory Services are now covered under the terms and conditions contained in the Company's standard Interconnection Agreements negotiated between CenturyLink and its wholesale customers. Currently, there are no customers subscribing to Directory Services under the Wholesale Tariff.

Recommend Approval.



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MEMORANDUM

DATE: September 26, 2017

TO: President Twinkle Andress Cavanaugh
Commissioner Jeremy H. Oden
Commissioner Chris "Chip" Beeker, Jr.

FROM: Wallace R. Jones, Director *WRJ*
Gas Pipeline Safety Division

SUBJECT: Agenda for October 3, 2017 Commission Meeting

This memorandum reflects activities of the Gas Pipeline Safety (GPS) Division that will be presented at the October 3, 2017 Commission Meeting.

- GPS performed the following inspections during the month of August 2017:

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Follow-Up	TOTAL Inspections
23	6	0	12	0	2	1	44

- There were 14 enforcement letters of notification issued, noting 37 non-compliance issues. There were two non-compliance items corrected during the month of August.
- Three operator/contractor training sessions on Polyethylene (PE) plastic fusion were conducted during the month of August. A total of 80 personnel was certified on PE fusion.
- No Pipeline and Hazardous Materials Safety Administration (PHMSA)-reportable incidents/accidents were reported during the month of August. Two incidents meeting the state requirements for reporting were received during the month of August:
- Alagasco, Birmingham Division, reported a main damaged by a boring crew that did not properly locate the main prior to work. Damage estimate was over \$5,000.00.

- DeKalb-Cherokee County Gas District reported a truck left the road and damaged a high-pressure regulator setting. The truck caught fire and was destroyed. Damage estimate was over \$5,000.00.
- Mr. Randall Hand, Gas Pipeline Safety Investigator, Senior (Training Coordinator) successfully completed the *PHMSA-PL3292 Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course* conducted in Tulsa, Oklahoma on August 21 – 25.
- Mr. Hand and Mr. Jamar Robinson, Pipeline Safety Engineer successfully completed the *PHMSA-PL3306 External Corrosion Direct Assessment (ECDA) Field Course* at the PHMSA Training and Qualification Center (TQ) in Oklahoma City, Oklahoma on August 28 – 31.
- Mr. Patrick Gaume, PHMSA State Liaison, conducted field audits with the Gas Pipeline Safety (GPS) Division on August 7 -10. Mr. Gaume was accompanied by Mr. Wallace Jones, GPS Director, Mr. Daniel Trapp, Pipeline Safety Investigations Supervisor, and Mr. Randy Hammond, Gas Pipeline Safety Investigator, Senior. The team conducted a “Public Awareness” inspection of Hunt Oil in Tuscaloosa and a “Standard” field inspection of East Central Alabama Gas District in Ashland, Lineville and Goodwater. No deficiencies with the inspection processes were observed by Mr. Gaume.



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JOHN A. GARNER, EXECUTIVE DIRECTOR

M E M O R A N D U M

DATE: September 22, 2017

TO: President Twinkle Andress Cavanaugh
Commissioner Jeremy H. Oden
Commissioner Chris "Chip" Beeker, Jr.

FROM: Janice M. Hamilton, Director *JMH*
Utility Enforcement Division

SUBJECT: Agenda for the October 3, 2017 Commission Meeting

This memorandum reflects the Utility Enforcement Division's (UED) report describing the major tasks, inspections and activities accomplished by its staff during the month of August 2017.

RAILWAY SAFETY

The track inspection results below reflect activity by our Railway Safety (RWS) Staff in the field.

Rail Carriers Visited	Regular Track Inspections	Track Defects Identified	Violations Recommended	Track Miles Inspected	Track Turnouts Inspected
4	17	114	0	212	196

The table below depicts track safety observations made in which no non-compliant condition was found.

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
1	16	3	0

There was one track records inspection where one serious non-compliant condition was found in 19 rail carrier records.

The data in the table below was collected from Motive Power & Equipment (MP&E) inspections that were performed on locomotives, freight cars, tank cars and other railroad equipment.

Rail Carriers Visited	Regular Inspections	Defects Identified	Violations Recommended	Number of Devices Inspected
6	20	186	0	944

The table below depicts safety observations completed by the MP&E Inspector.

Air Brake Tests	Blue Flag Protection	End of Train Devices
0	4	0

There were no rail carrier incidents reported in the month of August.

MOTOR CARRIER SERVICES

The Motor Carrier Services (MCS) staff accomplished the following matters regarding state authority to operate as a motor carrier in Alabama with proof of insurance coverage:

Vehicle Registration Numbers	Intrastate Applications Processed/Returned	NOL Processed/ Closed Intra Applications	Under Legal Division Review	Motor Carrier Authority Inquiries		
				Phone	E-mails	Others
16	13	1	10	87	50	54

The MCS staff members handled the tasks shown below regarding insurance coverage, prepared correspondence that challenged incorrect filings and addressed related inquiries:

Insurance Filings Received	New Authority Approved	Revocation Orders	Reinstatement Orders	Miscellaneous Actions	Letters Sent	Insurance Inquiries	
						Phone	E-mails
493	5	19	37	2	29	58	384

The Section addressed the following Unified Carrier Registration (UCR) responsibilities:

UCR Applications		UCR Mail outs for 2017	UCR Audit Correspondence	UCR Inquiries	
Processed	Returned			Phone	E-mail
22	2	210	9	85	21

There were 13 MCS-150 forms processed indicating that six (6) motor carrier's USDOT numbers were deactivated and seven (7) forms requested updates to carriers' USDOT number information. This service, provided by the MCS Staff, has protected Alabama motor carriers from receiving unnecessary traffic tickets when leaving the state or prevented them from paying needless fees.

In August, one (1) regular passenger tariff (*Scuttle Shuttle, LLC* [C4052]) was filed but rejected due to incorrect document format. Additionally, two regular passenger tariffs (*BML Transportation Services LLC* [C4038]); (*Scuttle Shuttle, LLC* [C4052]) and one household goods supplement (*Tommy Fortson IV d/b/a Fortson Moving Systems* [C3861]) were filed and accepted by the MCS Staff.

A compliance audit was completed by the MCS Staff for the following household goods carrier:

- *Park Transfer and Storage Company* – Carrier did not charge transportation rates correctly. The Carrier overcharged three shippers and was advised to remit charges to the three affected shippers.

There were three public passenger carrier certification hearings held during the month to determine whether or not to grant the following carriers the authority to operate in Alabama:

1. P and D Transportation, LLC
2. Nurturing Hands Transportation, LLC
3. BML Transportation Services LLC

Eleven (11) For-Non-Profit (FNP) reports for the Second Quarter were received by the MCS Staff. One (1) intrastate annual report for 2016 was received from a motor carrier and reviewed by the Staff.

FIELD SERVICES

In August, the Field Services Section Staff visited Alabama Power Company's Ozark Business Office to review major projects in progress that are expected to improve reliability issues in the area. Also, the Staff verified a recently completed service line to a large customer.

Staff also inspected Miller Steam Plant's conversion of wet bottom ash systems to dry along with other projects that are underway onsite.

Two systems belonging to Integrated Wastewater Management Entity were reviewed during the month of August. One system is located in Hoover and the other in Northport. All aspects of the systems appeared well-maintained and free of defects at the time of the FSS Staff's inspection. One outage that occurred this year was caused by a fiber installation crew rupturing the sewer main at an unrecoverable cost.

There were no other electric utility, telecommunications outside plant, water utility or wastewater management entity operations, maintenance or construction sites examined by the FSS Staff during the month.



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September 26, 2017

MEMORANDUM

**TO: President Twinkle Andress Cavanaugh
Commissioner Jeremy H. Oden
Commissioner Chris "Chip" Beeker, Jr.**

**FROM: John D. Free, Director *JDF*
Electricity Policy Division**

SUBJECT: Agenda – October 3, 2017 Commission Meeting

The Electricity Policy Division will present the following items at the October 3, 2017 Commission Meeting.

ELECTRICITY

ALABAMA POWER COMPANY

Dockets 18117 Division Report on Rate RSE and Rate ECR as of August 31, 2017
and
18416; The Electricity Policy Division performed the regular monthly examination
18148 of the books and records of Alabama Power Company. Included in the table
below are selected financial highlights concerning Rate RSE and Rate ECR.
In addition, the Division's computations and determinations of the December
2017 Weighted Retail Return on Average Common Equity (WRRCE),
actualized through August 2017, can be found on page 2 of this report.

Rate RSE Forecast		Rate ECR Summary
12 Months Ending DECEMBER 31, 2017		Recovery for AUGUST 2017
6.31% WRRCE		\$8,360,936 Under-Recovered

**The authorized Weighted Retail Return on Average Common Equity
Range is 5.75% - 6.21%.*

ELECTRICITY POLICY DIVISION
Alabama Power Company
Weighted Retail Return on Average Common Equity Calculation
Forecast - 12 Months Ending December 31, 2017

Common Equity as of August 31, 2017		\$6,808,555,829
Add Budgeted Net Income:		
September through December 2017	\$229,365,931	
Add Budgeted Capital Contributions:		
September through December 2017	\$39,908,000	
Add Other Adjustments:		
September through December 2017	\$0	\$269,273,931
Deduct Budgeted Stock Dividends:		
September through December 2017	\$177,222,647	\$177,222,647
Projected Common Equity for December 31, 2017		\$6,900,607,113
Projected Average Common Equity		
For the 12 Months Ending December 31, 2017		\$6,717,193,657
Projected Retail Investment Separation Factor		95.43%
Projected Average Retail Common Equity		
For the 12 Months Ending December 31, 2017		\$6,410,217,907
Projected Retail Net Income		
For the 12 Months Ending December 31, 2017		\$876,394,428
Projected Common Equity Percentage of Capital Structure		
For the 12 Months Ending December 31, 2017		46.18%
Projected Weighted Retail Return on Average Common Equity		
For the 12 Months Ending December 31, 2017		6.31%

The Common Equity as of August 31, 2017 (Actual) was adjusted using net income, payment of Common Stock and Preferred Stock dividends, Capital Contributions, and Other Adjustments from the Company's 2017 budget. The average common equity is a 12-month average using actual and budgeted data. The average retail common equity (RCE) was calculated using the retail separation factor of 95.43%. The retail net income (RNI) for average common equity and the common equity percentage (CEP) were calculated by using actual data for the eight months ended August 31, 2017, and then adding four months of budget data for September through December 2017. The Other Adjustments added to projected common equity are the result of the Company adopting FASB Statement 123 (R), which requires the reporting of stock option expenses.

This Forecast is subject to change due to uncertainties associated with weather, customer usage patterns and economic conditions across the state.



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MEMORANDUM

DATE: September 26, 2017

TO: Commission President Twinkle Andress Cavanaugh
Commissioner Jeremy H. Oden
Commissioner Chris "Chip" Beeker, Jr.
Division Directors

FROM: Legal Division

SUBJECT: Agenda - October 3, 2017 Commission Meeting

The Legal Division will present the following at the October 3, 2017
Commission Meeting:

DOCKET C-18886 (B) - Petition of M & K Trucking, LLC, of Scottsboro, Alabama, for approval of cargo self-insurance.

Recommend: Approval

DOCKET C-18873 (B) - Petition of Leonard Wayne Johnson d/b/a Leonard Johnson Trucking, of Lincoln, Alabama, for reinstatement of Motor Carrier Certificate F18 which was revoked due to Petitioner's failure to maintain proper proof of cargo insurance coverage.

Recommend: Grant/Reinstatement

DOCKET C-18871 (B) - Petition of Jones Towing & Recovery, Inc., of Luverne, Alabama, for reinstatement of Motor Carrier Certificate F2780 which was revoked due to Petitioner's failure to maintain proper proof of cargo insurance coverage.

Recommend: Grant/Reinstatement

LEGAL DIVISION AGENDA

October 3, 2017 Commission Meeting

September 26, 2017

PAGE #2

DOCKET 29117 (B) - Petition of Randall L. Thorn d/b/a Deliveries & Assembly, of Montgomery, Alabama, for cancellation of Motor Carrier Certificate F2944.

Recommend: Grant cancellation as requested

DOCKET 17238 (B) - In Re: Quarterly Report Form for Carriers for Nonprofits. The staff from the Motor Carrier Section has recommended changes to the quarterly report form for carriers for nonprofits. Staff has made revisions to the quarterly report form to more clearly present the information that is required by the Commission and to remove requests for unnecessary information.

Recommend: Approval of the revised quarterly report form.

DOCKET C-18887 (M) - Petition of Mid-State Hauling, L.L.C., of Marion, Alabama, for approval of cargo self-insurance.

Recommend: Approval

DOCKET 31572 (M) - Petition of Mid-State Hauling, L.L.C. ("Mid-State"), of Marion, Alabama, to recommence operations under Motor Carrier Certificate F4456. Motor Carrier Certificate F4456 was suspended at the request of Mid-State for a period of one year by Commission Order dated July 6, 2016.

Recommend: Grant request to recommence operations under Motor Carrier Certificate F4456

DOCKET 32682 (M) - Application of Uniti Fiber LLC, of St. Petersburg, Florida, to provide Telecommunications Services in the State of Alabama. A hearing was held on August 15, 2017, in which staff participated. There was no intervention in this Docket.

Recommend: Approval